

O/0354/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003804225

BY SHENZHENSHI RIQI TECHNOLOGY CO., LTD

TO REGISTER THE TRADE MARK:

VERYCO

IN CLASS 25

AND IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 436932

BY SHOP DIRECT HOME SHOPPING LIMITED

BACKGROUND AND PLEADINGS

1. On 29 June 2022, Shenzhenshi Riqi Technology Co., Ltd (“the applicant”) applied to register the trade mark shown on the cover page of this decision, in the UK. The application was published for opposition purposes on 15 July 2022 and registration is sought for the following goods:

Class 25 Underclothing; sweaters; pullovers; shirts; clothing; tights; corselets; trousers; knitwear [clothing]; vests; skirts; sports jerseys; dresses; overcoats; tee-shirts; layettes [clothing]; hosiery; pajamas; masquerade costumes; skorts.

2. On 17 October 2022, the application was opposed by Shop Direct Home Shopping Limited (“the opponent”) based upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act¹”). Under section 5(2)(b) of the Act, the opponent relies upon the following trade marks:

VERY

UKTM no. 3206357

Filing date 12 January 2017; registration date 14 April 2017

Relying on some goods for which the mark is registered, namely:

Class 25 Articles of clothing, footwear, headgear.

(“the First Earlier Mark”)

VERY

UKTM no. 2515302

Filing date 8 May 2009; registration date 7 May 2010

Relying on some goods for which the mark is registered, namely:

Class 35 Retail services connected with the sale of clothing.

(“the Second Earlier Mark”)

(together “the earlier marks”)

¹ The opponent also originally relied upon section 3(6) of the Act, but this was withdrawn on 28 February 2023.

3. Under section 5(2)(b) of the Act, the opponent claims that the marks are similar and the goods and services are identical or similar, with the result that there is a likelihood of confusion.

4. Under section 5(3) of the Act, the opponent claims that the Second Earlier Mark has a reputation for the services identified above. The opponent claims that use of the applicant's mark would, without due cause, take unfair advantage of, and/or be detrimental to, the distinctive character and/or repute of the Second Earlier Mark.

5. Under section 5(4)(a) of the Act, the opponent relies upon the sign VERY which it claims to have used throughout the UK since around 2009 in relation to "retail services of clothing". The opponent claims that use of the applicant's mark would be contrary to the law of passing off.

6. The applicant filed a counterstatement denying the grounds of opposition and putting the opponent to proof of use of the earlier marks.

7. Neither party requested a hearing, and neither filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

REPRESENTATION

8. The applicant is represented by REVOMARK and the opponent is represented by Eversheds Sutherland (International) LLP.

EVIDENCE AND SUBMISSIONS

9. The opponent filed evidence in chief in the form of the witness statement of Jessica Myers dated 19 May 2023, which is accompanied by 1 exhibit (JM1). Ms Myers is the Chief Marketing Officer at The Very Group Limited, of which the opponent is a wholly owned subsidiary. Her evidence goes to the use of the earlier marks.

10. The opponent filed written submissions during the evidence rounds dated 22 May 2023.

11. The applicant did not file any evidence or submissions.

12. I have taken the evidence and submissions into account in reaching this decision and will refer to them below, where necessary.

RELEVANCE OF EU LAW

13. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

DECISION

Section 5(2)(b)

14. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because –

(a) [...]

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

15. Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

16. The trade marks upon which the opponent relies qualify as earlier trade marks pursuant to section 6 of the Act. As the earlier marks had completed their registration processes more than 5 years before the filing date of the application in issue, they are subject to the use provisions in section 6A of the Act.

Proof of use

17. I will begin by assessing whether there has been genuine use of the earlier marks. The relevant statutory provisions are as follows:

“(1) This section applies where:

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

18. Pursuant to section 6A of the Act, the relevant period for assessing whether there has been genuine use of the earlier marks is the five-year period ending with the filing date of the application in issue i.e. 30 June 2017 to 29 June 2022.

19. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

“105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C-720/18 and C-721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

20. Proven use of a mark which fails to establish that “the commercial exploitation of the mark is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark” is, therefore, not genuine use.

21. The opponent is a wholly owned subsidiary of a group of companies which has been in existence in the UK since 1861. The business was previously operated under the LITTLEWOODS brand since the 1930s, but was rebranded as VERY in July 2009. The opponent’s evidence shows that there are two aspects to its business. The first is a retail service which involves the sale of third-party goods (such as those of Nike, Calvin Klein and Accessorize). The second is the sale of own branded goods. Both are sold through the opponent’s website, which has displayed the following sign during the relevant period:²



² Exhibit JM1, pages 25 to 34

22. The opponent sells its own branded goods under the brands “V by Very” and “VERY MAN”. The V by Very brand was launched in 2016. Under this brand, the opponent sells a range of clothing, footwear and headgear (which includes school wear, high heeled shoes, slippers, boots, wellies and women’s clothing).³

23. Sales figures for clothing, footwear and headgear sold under the “V by Very” brand have been provided as follows:

2018	£106,487,484
2019	£103,238,987
2020	£81,687,467
2021	£68,056,286
2022	£56,148,126

24. A further breakdown for school wear sold under the “V by Very” brand, has been provided as follows:

2017	£2,298,699
2018	£2,487,395
2019	£2,561,379

25. The following sales figures have been provided for school footwear sold under the “V by Very” brand:

2019	£206,365
2020	£667,092
2021	£1,328,749
2022	£601,109

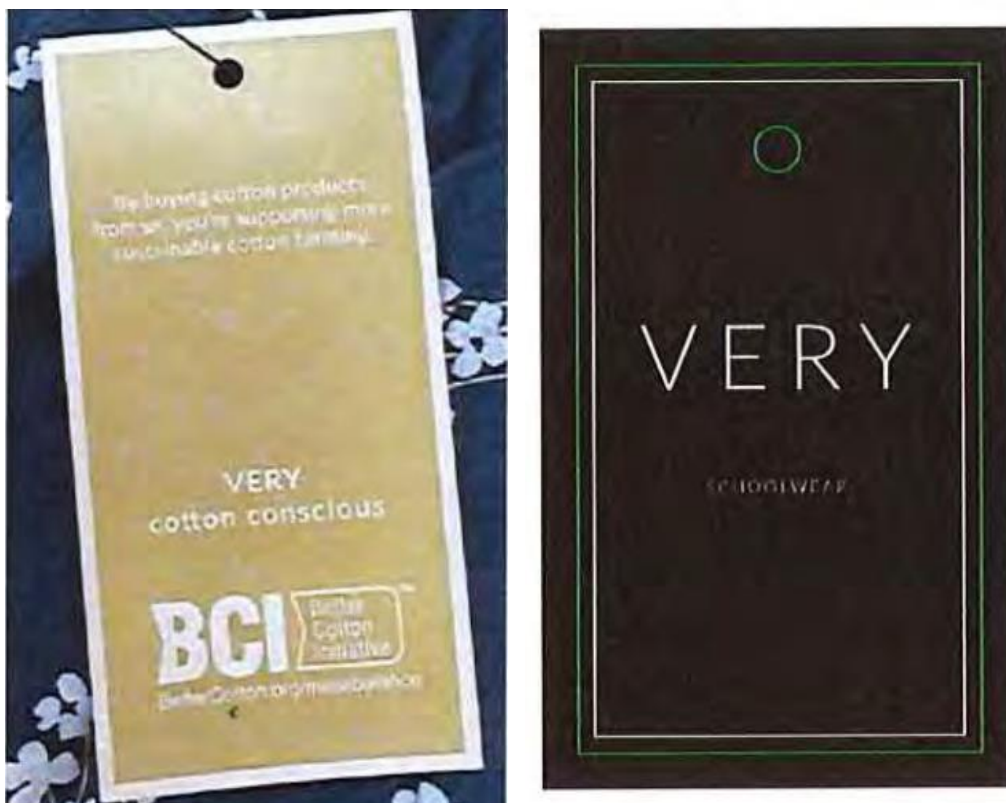
26. The VERY MAN brand was launched in 2020. The website shows chinos, jumpers, caps, beanie hats, parkas, jeans, gilets, shirts, slippers, coats, joggers, swimming shorts, pyjamas, t-shirts and leather jackets offered for sale during the relevant

³ Exhibit JM1, pages 90 to 99

period.⁴ The following sales figures have been provided for the opponent's VERY MAN range:

2018	£240,910
2019	£1,093,258
2020	£6,279,128
2021	£10,304,719
2022	£9,676,478

27. The opponent has provided examples of the VERY brand in use on product labels:⁵



28. In relation to the retail services offered by the opponent, Ms Myers' unchallenged evidence is that the opponent's UK website had over 652million visits in the financial year ending 2021; she states that 28% of these relate to the "fashion & sports" part of the business.

⁴ Exhibit JM1, pages 125 to 138

⁵ Exhibit JM1, pages 119 and 160

29. The opponent's total sales of clothing, footwear and headgear through its website (i.e. relating to both own branded goods, and third-party goods) are as follows:

2017	£1,263.5million
2018	£1,389.1million
2019	£1,488.1million
2020	£1,589.8million
2021	£1,878.4million

30. Whilst these sales figures relate to the sale of goods, the fact that it includes sales of third-party goods, assists in demonstrating the extent of the opponent's retail services offering. I note that in May 2022, the opponent won an award for "Best Retailer" at the *Retail Week Awards*.⁶ I note that the opponent has provided market share figures, but these are not broken down to the relevant goods/services.

31. In terms of marketing and promotional activities, the opponent has spent over £26million in marketing the VERY brand for fashion/clothing goods during the relevant period. It has engaged in collaborations with celebrities such as Michelle Keegan, Kate Wright and Judi Love, which have been covered by publications such as *Mail Online* and *Wales Online*.⁷ They have also undertaken a range of advertising activities, including TV advertising on popular show *Love Island*.

32. I am satisfied that the use of the mark VERY as part of the composite marks V by Very and VERY MAN are use of the mark as registered, and that the mark VERY continues to indicate origin in both of those marks. Consequently, it is use upon which the opponent can rely.⁸ I am also satisfied that the opponent has used its VERY mark in relation to a range of clothing, footwear and headgear goods, branded with its own mark (as seen on the above labels). It has also been used for the purposes of providing a retail service of third-party goods. Taking the evidence as a whole into account, I am satisfied that the opponent can rely upon all of the goods and services identified.

⁶ Exhibit JM1, page 178

⁷ Exhibit JM1, pages 51 to 58.

⁸ *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12

Section 5(2)(b) – case law

33. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

34. The competing goods and services are as follows:

Opponent's goods and services	Applicant's goods
The First Earlier Mark <u>Class 25</u> Articles of clothing, footwear, headgear.	<u>Class 25</u> Underclothing; sweaters; pullovers; shirts; clothing; tights; corselets; trousers; knitwear [clothing]; vests; skirts; sports jerseys; dresses; overcoats; tee-shirts; layettes [clothing];
The Second Earlier Mark <u>Class 35</u>	

Retail services connected with the sale of clothing.	hosiery; pajamas; masquerade costumes; skorts.
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35. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

36. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance,

whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

37. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut for Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

38. All of the goods in the applicant’s specification fall within the broader category of “articles of clothing” in the specification of the First Earlier Mark. They are, therefore, identical on the principle outlined in *Meric*.

39. All of the goods in the applicant’s specification are likely to be sold through the same trade channels as the retail services for which the Second Earlier Mark is registered. They will also be sold to the same users. The nature, method of use and purpose of the goods and services clearly differ. However, they are complementary, because the goods and services are important or indispensable to each other, and the average consumer is likely to perceive them as originating from the same or economically linked undertakings.⁹ They are similar to a medium degree.

The average consumer and the nature of the purchasing act

40. As the above case law indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods and services. I must then determine the manner in which the goods and services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc*,

⁹ *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06

Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited, [2014] EWHC 439 (Ch), Birss J (as he then was) described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

41. The average consumer for the goods and services is a member of the general public. The goods and services are likely to vary in price, but will not be particularly expensive. They are not likely to be everyday purchases, but will be purchased reasonably frequently. I bear in mind that factors such as aesthetics, material quality and fit will be taken into consideration for the goods and factors such as customer service standards, location of physical premises (if applicable) and product range will be taken into consideration for the services. Consequently, I consider that a medium (or average) degree of attention will be paid during the purchasing process.

42. The goods are likely to be self-selected from the shelves of a retail outlet or an online equivalent. The services are likely to be selected following sight of signage at physical premises, on websites and advertisements. Consequently, visual considerations will dominate the purchasing process. However, I do not discount an aural component to the purchase, given that advice may be sought from retail assistants and word-of-mouth recommendations may play a part.

Comparison of trade marks

43. It is clear from *Sabel* that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing

in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“... it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

44. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

45. The respective trade marks are shown below:

Opponent's trade marks	Applicant's trade mark
VERY	VERYCO

46. The opponent's marks both consist of the word VERY. There are no other elements to contribute to the overall impression, which lies in the word itself. The applicant's trade mark consists of the conjoined words VERYCO. The word CO will be understood by the average consumer as being an abbreviation for the word COMPANY, and will therefore be non-distinctive. The word VERY will, therefore, be the more dominant element.

47. Visually, the opponent's marks are replicated entirely at the beginning of the applicant's mark. Further, it is the more distinctive element of the applicant's mark. The word CO at the end of the applicant's mark acts as a point of visual difference. In my view, the marks are visually similar to between a medium and high degree.

48. Aurally, the word VERY will be given its ordinary English pronunciation in all three marks. The word CO will also be given its ordinary English pronunciation and will act as a point of aural difference. In my view, the marks are aurally similar to between a medium and high degree.

49. Conceptually, the word VERY will be understood as referring to something that is extreme in some way (e.g. VERY HOT, VERY BIG etc.). I agree with the opponent that the word CO in the applicant's mark will be understood as referring to a type of entity i.e. that it is a company. The applicant states in its counterstatement that VERYCO is a coined term in its own right. However, no further explanation is provided as to what might be meant by the words VERY and CO, when combined. In my view, they are not typically words that would combine together to form a clear meaning. Consequently, I find that the word VERY is likely to be attributed the same meaning in both parties' marks. The word CO will act as a point of conceptual difference, but not a distinctive one.

Distinctive character of the earlier trade marks

50. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not

contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

51. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods and services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctive character of a mark can be enhanced by virtue of the use that has been made of it.

52. I will begin by assessing the inherent distinctive character of the earlier marks. The earlier marks consist of the ordinary dictionary word VERY. It does not have any clear allusion in relation to the goods/services when used independently in this way. Consequently, I consider it to be inherently distinctive to a medium (or average) degree.

53. I have summarised the opponent’s evidence of use above. I note that the market share figures provided are not broken down by product/service. However, given the sales figures that I have been provided with which are directly applicable to the goods/services, the opponent clearly has a reasonable market share for the relevant goods/services. There has been a significant amount invested in promoting the marks over a lengthy period of time, with advertising on national television. Taking the evidence as a whole into account, I consider that the distinctiveness of the earlier marks has been enhanced through use to a reasonably high degree for the goods and services relied upon.

Likelihood of confusion

54. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between them down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the goods/services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods/services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

55. I have found as follows:

- a) The goods and services are either identical or similar to a medium degree.
- b) The average consumer is a member of the general public who will pay a medium (or average) degree of attention during the purchasing process.
- c) The purchasing process is predominantly visual, although I do not discount an aural component.
- d) The marks are visually and aurally similar to between a medium and high degree. The word VERY will be conceptually identical in both parties' marks and, whilst the word CO in the applicant's mark will act as a point of conceptual difference, it is not a distinctive one.

- e) The earlier marks are inherently distinctive to a medium (or average) degree, which has been enhanced through use to a reasonably high degree for the goods and services relied upon.

56. Bearing in mind that the only additional element in the applicant's mark is a non-distinctive one, being the word CO, I consider that that element of the mark may be overlooked, and that they may be mistakenly recalled or misremembered as each other, when used on goods and services that are similar to a medium degree or identical. Consequently, I consider there to be a likelihood of confusion.

57. Even if I am wrong in that finding, taking all of the above factors into account, the average consumer is likely to view the common use of the word VERY in relation to such similar/identical goods and services to indicate that the marks originate from the same or economically linked undertakings. The use of the abbreviation CO in the applicant's mark, being a non-distinctive addition, is consistent with a brand variation. Consequently, I consider there to be a likelihood of indirect confusion.

58. The opposition based upon section 5(2)(b) of the Act succeeds in its entirety.

Section 5(3)

59. Section 5(3) of the Act states:

“5(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, [...] shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

60. Section 5(3A) of the Act states:

“Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

61. The relevant case law can be found in the following judgments of the CJEU: *Case C-375/97, General Motors, Case 252/07, Intel, Case C-408/01, Adidas-Salomon, Case C-487/07, L’Oreal v Bellure and Case C-323/09, Marks and Spencer v Interflora and Case C383/12P, Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29 and Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77 and Environmental Manufacturing, paragraph 34.*

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74.*

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40.*

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

62. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that the Second Earlier Mark and the applicant's mark are similar. Secondly, the opponent must show that the Second Earlier Mark has achieved a level of knowledge/reputation

amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them in the sense of the Second Earlier Mark being brought to mind by the later mark. Finally, assuming the first three conditions have been met, section 5(3) requires that one or more of the types of damage will occur. It is unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

63. I have already found that the opponent has satisfied the proof of use requirements in relation to the Second Earlier Mark, and I apply the same findings here as set out in paragraph 32 above.

Reputation

64. I bear in mind the factors, set out in *General Motors*, that I must consider when making an assessment as to whether the opponent has the requisite reputation.¹⁰ I have already summarised the opponent's evidence of use above. In my view, for the same reasons given at paragraph 53 above, I consider that the evidence demonstrates that the Second Earlier Mark had a reasonably strong reputation for the relevant services at the relevant date.

Link

65. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

¹⁰ Case C-375/97

The marks are visually and aurally similar to between a medium and high degree. The word VERY is conceptually identical in both marks, with the word CO acting as a point of conceptual difference, but not a distinctive one.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

The goods and services are similar to a medium degree. The relevant section of the public will be the general public, paying a medium degree of attention during the (predominantly visual) purchasing process.

The strength of the earlier mark's reputation

The Second Earlier Mark has a reasonably strong reputation for the relevant services.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

The Second Earlier Mark is inherently distinctive to a medium degree, which has been enhanced through use to a reasonably high degree for the relevant services.

Whether there is a likelihood of confusion

I have found there to be a likelihood of direct and indirect confusion.

66. Taking all of the above factors into account, particularly the strength of the opponent's reputation and the similarity of the parties' marks and goods/services, I am satisfied that the requisite link will be made.

Damage

67. I must now consider whether any of the types of damage pleaded will arise.

Unfair Advantage

68. In relation to unfair advantage, the opponent's pleaded case is as follows:

“The Applicant of the Contested Application will, without doubt, benefit from the power of attraction, advertising value, reputation and prestige of the Opponent's Earlier Registration. The resulting benefits will be unfairly acquired by the Applicant of the Contested Application, and will stimulate the sales of the Applicant's goods to an extent which is disproportionately high in comparison with the size of their own promotional investment.”

69. I bear in mind that unfair advantage has no effect on the consumers of the earlier mark's goods and services. Instead, the taking of unfair advantage of the distinctive character or reputation of an earlier mark means that consumers are more likely to buy the goods of the later mark than they would otherwise have been if they had not been reminded of the earlier mark.

70. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate

case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.”

71. To the extent that the relevant public believe that the goods of the applicant originate from the opponent, there will clearly be unfair advantage. However, even if they do not consider the goods and services originate from the same undertaking, I consider that the applicant will still gain an unfair advantage. I note that the opponent has won awards for the quality of its retail services, which is clearly an image that could transfer to the applicant’s goods. Consequently, I consider that damage is made out.

Final Remarks

72. As damage is made out on the basis of unfair advantage, I do not consider it necessary to assess the other heads of damage claimed.

73. The opposition based upon section 5(3) of the Act succeeds in its entirety.

Section 5(4)(a)

74. Section 5(4)(a) of the Act states as follows:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

aa)...

b) ...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark”.

75. Subsection (4A) of section 5 of the Act states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

76. I can deal with this ground relatively swiftly. The opponent’s evidence clearly demonstrates a reasonably strong degree of goodwill in relation to the relevant services. These services are in a similar field to the goods covered by the application. Given the similarity between the marks, the overlapping fields of activity and the strength of the opponent’s goodwill, I am satisfied that a substantial number of members of the public will be misled into thinking that the goods of the applicant originate from the opponent. Damage through diversion of sales is easily foreseeable.

77. The opposition based upon section 5(4)(a) of the Act succeeds in its entirety.

CONCLUSION

78. The opposition is successful, and the application is refused.

COSTS

79. The opponent has been successful and is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the opponent the sum of **£2,000**, calculated as follows:

Preparing a Notice of opposition and considering the applicant’s counterstatement	£400
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Preparing evidence	£1,000
Written submissions	£400
Official fee	£200
Total	£2,000

80. I therefore order Shenzhenshi Riqi Technology Co., Ltd to pay Shop Direct Home Shopping Limited the sum of **£2,000**. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 17th day of April 2024

S WILSON

For the Registrar